Basic information

2008/2249(INI) INI - Own-initiative procedure	Procedure completed
Social responsibility of subcontracting undertakings in production chains **Subject** 4.10.10 Social protection, social security 4.15.04 Workforce, occupational mobility, job conversion, working conditions 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF)	

Key players

European Parliament	**Committee responsible**	**Rapporteur**	**Appointed**
	EMPL Employment and Social Affairs	LEHTINEN Lasse (PSE)	09/09/2008

European Commission	**Commission DG**	**Commissioner**
	Employment, Social Affairs and Inclusion	ŠPIDLA Vladimír

Key events

Date	Event	Reference	Summary
23/09/2008	Committee referral announced in Parliament		
11/02/2009	Vote in committee		Summary
17/02/2009	Committee report tabled for plenary	A6-0065/2009	
23/03/2009	Debate in Parliament		
26/03/2009	Decision by Parliament	T6-0190/2009	Summary
26/03/2009	Results of vote in Parliament		
26/03/2009	End of procedure in Parliament		

Technical information

Procedure reference	2008/2249(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55-p4

	Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	EMPL/6/66835

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE415.234	12/11/2008	
Amendments tabled in committee		PE416.572	12/12/2008	
Committee report tabled for plenary, single reading		A6-0065/2009	17/02/2009	
Text adopted by Parliament, single reading		T6-0190/2009	26/03/2009	Summary

European Commission

Document type	Reference	Date	Summary
Commission response to text adopted in plenary	SP(2009)3245	08/10/2009	

Social responsibility of subcontracting undertakings in production chains

2008/2249(INI) - 26/03/2009 - Text adopted by Parliament, single reading

The European Parliament adopted by 321 votes to 235, with 11 abstentions, a resolution on the social responsibility of subcontracting undertakings in production chains.

The text adopted by Parliament had been tabled by the PES, ALDE and Greens/EFA groups, pursuant to Rule 45(2) of the Rules of Procedure, as an alternative motion for a resolution to the motion for a resolution contained in the report tabled by the committee responsible.

Globalisation and its corollary of increased competition are bringing about changes in the ways companies organise themselves, including the outsourcing of non-strategic activities, the creation of networks and increased recourse to subcontracting. These changes have had far-reaching consequences for labour relations. Although subcontracting has many positive aspects and has allowed for increased production capacity, it is also generating some economic and social imbalances among workers and might foster a race to the bottom in working conditions.

Awareness raising: in this context, the resolution calls on public authorities and all stakeholders to do their utmost to increase the level of awareness among workers of their rights under the various instruments that regulate their employment relationship and working conditions in the undertakings for which they work and the contractual relationships in subcontracting chains. The Commission is called upon to **raise awareness** of social responsibility practices among companies and to put forward a proposal on **applying the decent work agenda to workers in subcontracting undertakings**, and, in particular, on compliance with core labour standards, social rights, employee training and equal treatment.

The European Parliament welcomes the fact that eight Member States (Austria, Belgium, Finland, France, Germany, Italy, the Netherlands and Spain) have responded to the problems connected with the duties of subcontractors as employers by establishing national liability schemes. It encourages other Member States to consider similar schemes, highlighting the fact, however, that implementing the rules in cross-border subcontracting processes is especially difficult when Member States have different systems in place. Parliament emphasises the particular challenges faced by small businesses and therefore calls on policymakers to develop appropriate tools to raise awareness among small businesses.

Sanctions: Parliament takes note of the Commission's proposal for a directive providing for sanctions against employers of illegally staying third-country nationals, in which the Commission proposes the introduction of the concept of joint and several liability into Community legislation. The resolution stresses that this concept is a suitable instrument to guarantee that all subcontractors assume their corporate responsibility in respect of employees' rights.

Community instrument: Parliament calls on the Commission to establish **a clear-cut Community legal instrument introducing joint and several liability at European level**, while respecting the different legal systems in place in the Member States. It also calls on the Commission to launch an impact assessment on the added value and **feasibility of a Community instrument on chain liability** as a way of increasing transparency in subcontracting processes and of securing better enforcement of Community and national law. A Community instrument on chain liability would benefit not only employees, but also Member State authorities, employers and, in particular, SMEs in their fight against the grey economy.

Incentives: the resolution stresses the need to **promote incentives** for companies to make every reasonable effort in good faith to eliminate labour law infringements by subcontractors, including reporting to the authorities and terminating a contract with a subcontractor which engages in illegal practice. It also proposes that the possibility of **reconciling family life with work** be safeguarded in law at national level for workers in subcontracting undertakings in production chains and that the directives on maternity and parental leave be effectively implemented.

Lastly, the Commission is called upon to:

- promote more and better cooperation and coordination between national administrative bodies, inspectorates, government enforcement agencies, social security authorities and tax authorities;
- develop quality standards for labour inspectorates and to carry out a feasibility study of possible arrangements for establishing a European network of labour inspectorates;
- ensure effective compliance with Directive 96/71/EC on the posting of workers, including, if necessary, launching infringement procedures.